

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 6116
BILL NUMBER: SB 152

NOTE PREPARED: Jan 26, 2012
BILL AMENDED: Jan 25, 2012

SUBJECT: Allen Circuit Court.

FIRST AUTHOR: Sen. Kruse
FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows the judge of the Allen Circuit Court to appoint a second full-time magistrate. It repeals the judge's authority to appoint a hearing officer: (1) who has the powers of a magistrate; and (2) whose salary is paid by Allen County.

Effective Date: (Amended) July 1, 2013.

Explanation of State Expenditures: (Revised) Magistrates are full-time state employees. Their salary level is 80% of the salary of circuit court judges. The following shows the full costs of this new state position over the next five fiscal years *assuming that salaries are not increased during this time period.*

Allen County Magistrate					
Effective Date	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
July 1, 2013	\$135,758	\$135,758	\$135,758	\$135,758	\$135,758

Background Information-

The salaries of circuit and superior court judges can be adjusted each year by one of two methods:

- The General Assembly can increase the amount specified in statute.

- If the General Assembly does not increase the salary of judges by a nominal amount, then under IC 33-38-5-8.1, salaries of judicial officers can be adjusted by the amount that executive staff salaries in the same salary level are increased and the Chief Justice of the Indiana Supreme Court approves the increase.

State expenditures associated with these new court officers also depend on the costs of fringe benefits for state employees. While most of the benefits are based on a percentage of the salaries of the employee, the costs of medical insurance for the persons filling these new positions will depend on future decisions of the executive branch. The extent to which the state would pass along any increase in health insurance costs to employees is unknown.

The following table shows estimates of the total compensation (base salary and fringe benefits) of judges and magistrates during FY 2011. Future salary increases will depend on legislative or administrative actions (see IC 33-38-5-8.1).

Salaries and Benefits for Judges and Magistrates (FY 2011)		
<u>Benefits</u>	<u>Judges</u>	<u>Magistrates</u>
Salary	\$127,280	\$101,824
Life Insurance	\$362	\$362
Indiana Judicial Conference	\$1,000	\$1,000
Social Security	\$9,737	\$7,790
Retirement	\$11,837	\$9,469
Disability Insurance	\$2,902	\$2,322
Health, Dental, and Vision (blended rate)	\$12,991	\$12,991
Total Cost Per Judicial Officer	<u>\$166,109</u>	<u>\$135,758</u>

Explanation of State Revenues:

Explanation of Local Expenditures: (Revised) *Effect on Allen County* – Allen County would save an estimated \$21,022 in CY 2013 and \$42,045 in each subsequent year, based on current salaries of magistrates. Allen County currently pays a hearing officer the same salary that magistrates receive, with a different mix of benefits. Consequently, Allen County will be relieved of paying for both the salary and the fringe benefits of a hearing officer.

Allen County is also reimbursed for 66% of the salary of the hearing officer from federal Title IV-D monies for child support enforcement.

The following shows Allen County's savings if Allen County no longer pays the hearing officer.

	CY 2013	CY 2014	CY 2015
Salary	\$50,912	\$101,824	\$101,824
County Supplement	\$2,000	\$4,000	\$4,000
FICA	\$3,998	\$7,996	\$7,996
PERF*	\$4,921	\$9,842	\$9,842
Total Costs	\$61,831	\$123,662	\$123,662
Reimbursement at 66%	\$40,808	\$81,617	\$81,617
Net Cost to Allen County	\$21,022	\$42,045	\$42,045
*Source: Allen Circuit Court			

Explanation of Local Revenues:

State Agencies Affected: Division of State Court Administration; Indiana Judicial Center.

Local Agencies Affected: Allen Circuit Court.

Information Sources: Division of State Court Administration; Allen Circuit Court.

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